



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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July 20, 2000

TO: Minerals File

FROM: D. Wayne Hedberg, Permit Supervisor *DWH*

RE: Documentation of July 13, 2000 Conference Call, Assessment Review & Status of Closure & Reclamation Activities, North Lily Mining Company, Tintic Project, M/023/007, Juab County, Utah

Date of Call/Meeting: July 13, 2000  
Location: Division Offices  
Time of Call/Meeting: 9:00 - 10:15 a.m.  
Participants: Steven Flechner, Gene Webb & Walt Shubert - North Lily Mining Company; Bob Bayer - JBR Consultants; Mary Ann Wright, Wayne Hedberg, and Doug Jensen - DOGM; Dennis Frederick and Beth Wondimu - DWQ

*Purpose of Call/Meeting:* The purpose of this conference call was to document the progress that has been made to date at the Tintic Project site in terms of closure and final reclamation of the heap and de-watering of the ponds.

On July 13, 2000, a conference call was held between the representatives identified above to discuss the status of ongoing closure and reclamation activities at the Tintic Project site. A summary of the discussion items is presented below:

- North Lily representatives expressed some concern over the fixed schedule (Exhibit B) and the lack of flexibility in the Consent Order. Division personnel advised North Lily to prepare alternative suggested language for our consideration.
- We discussed some possible word-smithing changes to address concerns raised over the current language in the Consent Order and the reference to Exhibit A (DOGM approved closure & reclamation plan). North Lily will propose suggested language changes and Bob Bayer may work on a possible change to the approved revegetation seed mix.
- Mr. Flechner stated that they have forwarded their comments on the draft Consent Order to their legal counsel, Mike Keller. Mike will summarize same and send same to our counsel, Kurt Seel.
- Mr. Webb stated that they had been in touch with 1<sup>st</sup> Security Bank regarding partial release of the interest above the new \$191,500 base amount. He indicated that Ann Norman would call Wayne

Hedberg this afternoon to work out the specific requirement to transfer the funding to North Lily's account.

- Mr. Flechner stated that they had just signed an agreement to sell a parcel of land that they owned in the Tintic area and that they were scheduled to close on July 31, 2000. Monies obtained would be used to assist in closure and reclamation of the project site.
- We discussed the DWQ deadline for terminating the use of the barren and overflow ponds. Bob Bayer will draft a letter to DWQ seeking approval to extend the deadline for use of these ponds for evaporative purposes. DOGM and DWQ stressed that only the overflow/make-up water pond was in an acceptable condition for any possible continued use. The liners in the barren pond are severely damaged and neither agency would authorize the pond to be used again in its current condition.
- Walt and Bob indicated that they planned to have a work crew on site over the upcoming weekend to begin assembling the in-pond evaporative systems (preg and overflow ponds). Walt stated that they also hoped to expose and extend the underdrain pipes this weekend.
- A discussion was made over testing the collection ditches for signs of significant leakage/underflow. Doug Jensen suggested making minor slits in the higher sections of the ditch liner which could then be lifted up, inspected for saturation and active drainage and then patched. Walt indicated that the underflow sump in the pregnant pond is still producing about 200 gallons of drainage per week.
- Bob Bayer stated that the weir would be shipped by July 21<sup>st</sup>. It should arrive by July 24<sup>th</sup> or 25<sup>th</sup> and would be installed the following day (proposed installation date no later than July 28<sup>th</sup>).
- Bob expressed the need of the characterization results for the caustic soda that was sampled recently by Kennecott representatives. We agreed to contact Kennecott to see if the analytical results were available yet. The tank volume was estimated at roughly 6000 gallons. Bob indicated it would take roughly two (2) weeks to schedule a transporter to remove this material and dispose of it properly. *(Kennecott has since informed the Division they will take the caustic soda and the residual cyanide drums, but will not provide transport.)*
- Doug, Walt and Bob discussed the # of soil trenches that needed to be excavated to test the topsoil resource reserves in the immediate area. Doug felt that at least 2-3 test pits would be necessary.
- Walt and Bob indicated that the Rainy Day vacuum and lance test results of the pond liner patches would be available by early next week.
- We stated that our goal was to have the Stipulated Consent Order finalized and signed by July 25<sup>th</sup>. North Lily representatives agreed to do their best to make this deadline.

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- We discussed the draft schedule of reclamation and closure objectives and made appropriate changes to the timeframes where necessary. We agreed to type up the changes and fax copies to all parties as soon as possible. We also agreed to send Steve and Gene a copy of the latest bank "signature card" information we have on file for this project.

We ended the conference call with Steve and Gene agreeing to fax DOGM a copy of their "mark-ups" to our draft Stipulated Consent Order.

jb  
cc: Steve Flechner, NLMC  
Bob Bayer, JBR  
Beth Wondimu, DWQ  
Doug Jensen  
Tom Munson  
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